



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 15, 1991

0040

Mr. Kevin Yokum, Director
Land and Environmental Affairs
Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111

Dear Mr. Yokun:

Re: Stipulations to Revise Reclamation Agreements, Southern Utah Fuel Company,
ACT/041/002, Folder #2, Sevier County, Utah, and, Utah Fuel Company,
ACT/007/005, Folder #2, Carbon County, Utah

Please find enclosed, signed copies of the Stipulations to Revise Reclamation Agreements for SUFCO and Skyline Mines.

You will need to forward copies of these documents to the mine sites for updating of their Reclamation Agreements. Thank you for your cooperation in providing the updated rider information on these surety bonds.

Sincerely,

J. Randall Harden
Sr. Mine Reclamation Engineer

jrh
Enclosures
cc: D. Haddock
BTEAM\coastal.ltr

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number: ACT/007/005

Effective Date: 8/23/91

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT

—ooOOoo—

This STIPULATION TO REVISE RECLAMATION AGREEMENT entered into by and between the PERMITTEE and DIVISION incorporates the following revisions or changes to the RECLAMATION AGREEMENT: (Identify and Describe Revisions Below)

Add Rider to Reclamation Bond (No. 605244-6)

In accordance with this STIPULATION TO REVISE RECLAMATION AGREEMENT, the following Exhibits have been replaced by the PERMITTEE and are approved by the DIVISION:

_____ Replace the RECLAMATION AGREEMENT in its entirety.

_____ Replace Exhibit "A" - SURFACE DISTURBANCE.

_____ Replace Exhibit "B" - BONDING AGREEMENT.

_____ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$_____) to (\$_____).

The SURFACE DISTURBANCE is revised from _____ acres to _____ acres.

The EXPIRATION DATE is revised from _____ to _____.

The LIABILITY INSURANCE carrier is changed from _____
to _____.

The AMOUNT of INSURANCE coverage for bodily injury and property damage
is changed from (\$_____) to (\$_____).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 27th day of August, 1991.

COASTAL STATES ENERGY COMPANY
PERMITTEE

By: Verna A. Mortensen

Title: Senior Vice President

ACCEPTED BY THE STATE OF UTAH:

Dennis R. Nielson
Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

AFFIDAVITS OF QUALIFICATION

UNITED PACIFIC INSURANCE COMPANY

HOME OFFICE, TACOMA, WASHINGTON

SKYLINE

RIDER

To be attached to and form part of Bond Number U605244-6 executed by Coastal States Energy Company as Principal, and UNITED PACIFIC INSURANCE COMPANY, as Surety, in favor of State of Utah and dated March 15, 1990

In consideration of the premium charged for the attached bond, it is hereby agreed that:

"In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining."

"In no event shall the surety be liable in the aggregate to all Obligees for more than the penalty of this bond."

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider shall become effective as of the 2nd day of August, 1991, standard time.

Signed, sealed and dated this 2nd day of August, 1991



Coastal States Energy Company
PRINCIPAL

By Coby C. Hesse
Coby C. Hesse, Vice President

ACCEPTED:

UNITED PACIFIC INSURANCE COMPANY

By Elsa Alvarez
Elsa Alvarez ATTORNEY-IN-FACT

By _____

(TITLE)

UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, FEDERAL WAY, WASHINGTON

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Washington, does hereby make, constitute and appoint William N. Burke, James H. Guild, Thomas L. Nygren, Mary C. Jones, Cynthia A. Franze, Elsa Alvarez and Michelle M. Ulery, individually, of Houston, Texas

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship, _____

and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

The Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII — EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

The power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signature of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 10th day of September 1990.

STATE OF Pennsylvania
COUNTY OF Philadelphia ss.



UNITED PACIFIC INSURANCE COMPANY

Vice President

On this 10th day of September, 1990, personally appeared Raymond MacNeil

to me known to be the Vice-President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said company and the Resolution, set forth therein, are still in full force.

My Commission Expires:

February 1, 1993



Notary Public in and for State of Pennsylvania

Residing at Philadelphia

I, Ray L. Lorah, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 2nd day of August 1991



Assistant Secretary